



CALFED BAY-DELTA PROGRAM

AUGUST 14, 1998

Draft Preferred Program Alternative 30-Year Policy Framework

This Policy Framework summarizes the strategy for developing the Draft Preferred Program Alternative and identifies early implementation actions that can proceed under existing authorities. The CALFED Policy Group believes this Policy Framework lays the foundation to proceed with the Draft Preferred Program Alternative. Over the next three months (August through October 1998), additional detail will be developed on many aspects of the Program listed below.

1. **Staged Implementation and Staged Decision Making.** The complexity of the Bay-Delta system and the inability to predict future events and how the system will respond to proposed actions requires that an adaptive management philosophy and process be employed. Central features of adaptive management are staged implementation and staged decision making. Staged implementation and decision making involves identifying certain actions to implement at the outset for which there is sufficient information, and general agreement and developing conditions for future decisions and for moving beyond the first stage.
2. **Continuous Improvement in all Resource Areas** - ecosystem, water quality, levee system integrity, and water supply reliability. Progress in each area needs to be linked to progress in all other areas. Actions in Stage 2 will build upon progress in all resource areas in Stage 1.
3. **Stage 1 Implementation.** The first stage of implementation will be a seven-year period commencing with the certification of the Programmatic EIS/EIR. Stage 1 must:
 - Result in overall improvement for all resource areas
 - Provide stability in the water resource management framework
 - Improve conditions in the Bay-Delta system for listed and proposed species.
 - Have a mix of public and private funding
 - Build the information needed to make decisions for the transition to Stage 2
 - Address the conditions and linkages for storage and conveyance
4. **Assurances Package.** The assurances package will replace and expand upon the

Accord and include a set of actions and mechanisms to assure that the Program will be implemented and operated as agreed. The following information will be part of the assurances package and available at the time of the Record of Decision (ROD) and Findings:

- Programmatic conservation strategy
 - Description of new institution/entity and/or how agencies will coordinate
 - Description of process for stakeholder involvement
 - Financial strategy and principles (see No. 5, Finance Package)
 - Conditions and Linkages (see Nos. 6 and 7)
 - Final contingency response process for unforeseen circumstances
 - Details of the assurances package and operational rules
 - Mitigation policy/principles/strategy
 - Adaptive management principles for each program element
5. **Finance Package.** Total "life cycle" cost estimates for the Program are being developed and at the time of the ROD and Findings, the finance package will include a final cost estimate, including operation and maintenance and mitigation costs, and agreement on the financial principles and cost allocation strategy. The finance package being developed is based on several principles:
- Benefits-based approach ("beneficiaries pay")
 - Public and User cost split
 - Crediting for other parallel efforts or contributions to Category III
 - Provisions for repayment of federal/state costs where appropriate
 - Cost allocation methodology or strategy
 - Implementation agreement

6. **Delta conveyance.**

Primary strategy is to develop a through-Delta conveyance alternative based on the existing Delta configuration and modifications. Everything practical will be done to make this conveyance strategy achieve CALFED goals and solution principles.

Contingent strategy is to include a dual Delta conveyance with an isolated facility if the primary strategy does not meet CALFED goals and solution principles. A decision to construct an isolated facility will be warranted if, after aggressive implementation of relevant common program elements and through-Delta conveyance, there is still a public health drinking water necessity and/or an inability to achieve fish recovery with continuing impacts of diversion from the south Delta. In addition, a decision to build an isolated facility would be coupled with each of the following assurances:

- Limits on water exports
- In-Delta water quality protections
- Address seepage and flood impacts of isolated facility
- Provide long-term Delta levee funding
- Protect area of origin rights
- Complete all environmental documentation and permitting requirements

- Demonstrated commitment to finance by beneficiaries
- Agreement on operating authority and operating criteria

7. Water Supply Reliability

- Aggressive implementation of water transfers and water use efficiency measures
- New or expanded groundwater and surface storage are part of the mix of available water management options and will be constructed provided each of the following is achieved:
 - Demonstration of water supply need after economic evaluation
 - High level of water use efficiency
 - Demonstrated progress on water transfers
 - Demonstrate progress on groundwater and conjunctive use consistent with local support and protections including groundwater monitoring and modeling
 - Beneficiary financing commitment
 - Complete all environmental documentation and permitting requirements

8. Actions and Assurances for 1998-99 Under Existing Authorities. During the period before the final EIS/EIR and ROD are issued in the fall of 1999, the CALFED agencies will continue to make progress in implementing, coordinating, and expanding ongoing project specific actions to provide additional benefits for environmental, urban, and agricultural users, where consistent with the CALFED Bay-Delta Programmatic framework. Project specific actions to pursue include:

- Develop and implement the annual CVP/SWP Operations Plan
- Expand south of Delta groundwater storage
- Facilitate additional short-term water transfers
- Improve coordination of Category III, Bay-Delta Act, CVPIA and other funds for ecosystem restoration projects
- Initiate environmental documentation and feasibility analysis
- Target and increase funding for water conservation, reclamation, water quality, and flood plain and watershed management programs
- Seek continued funding for Delta levees program
- Issue final State Water Resources Control Board water rights decision to allocate responsibility for meeting the 1995 Water Quality Control Plan
- Extend the Bay-Delta Accord to provide operational and environmental stability through December 1999, at which time CALFED anticipates the ROD will be issued
- Resolve permitting issues and, as appropriate, initiate south Delta improvement actions
- Incorporate ongoing and planned monitoring and studies into the CALFED Comprehensive Monitoring Assessment and Research Program